



MATRIX METALS
LIMITED

Quarterly Activities Report

for the Quarter ended

30 June 2006

“The White Range Project Feasibility Study is now complete. Offers have been received for the supply of grid power and for the supply of sulphuric acid. Project Funding negotiations are continuing with the Westpac Bank and a copper Off-take party.”

Highlight Snap Shots:

- **White Range Project Feasibility Study Completed**
- **Early Stage Project optimisation and Development Activities Underway**
- **New Discoveries near Cloncurry highlight the exploration potential of the Region**
- **New Drilling Programs Planned**
- **Uranium JV field work commences with early success**
- **Cash at Bank of \$5.8 million**
- **Copper Price achieves new all time high**

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1.0 HIGHLIGHTS

- The Feasibility Study (Study) for the White Range Project (Project) is now complete.
- The Study concludes the Project is both technically and economically viable

<u>White Range Project</u> <u>Economics July 2006</u> <u>Base Case</u>	
EBITDA	\$263m
EBIT	\$164m
NPV	\$102m
IRR	37%

(refer financial analysis criteria)

- Optimisation, early phase development activities and engineering design underway with amended approvals nearing conclusion.
- Offers have been received for key supply contracts, including acid, power network access and power supply.
- Significant and sustained rises in the copper price support Project economics.
- New (third party) Discoveries in the Region confirm the exploration potential of the Mt Isa/Cloncurry region.
- Uranium Joint Venture field work commences with positive results reported.

2.0 MATRIX PROJECTS and EXPLORATION OBJECTIVES

Matrix's ongoing exploration and development programs are targeting the development of the White Range Project, commencement of a feasibility study on the Company's second Mt Watson Project and the continued successful exploration for oxide copper, primary sulphide copper, copper/ gold, gold only and uranium resources.

the big picture

"The early and significant success of Matrix's regional exploration program is a classic demonstration of the untapped potential of the Company's tenement position in the Mt Isa Region. It is a simple fact that this world class base metals province has been dramatically under explored. With the position Matrix has secured itself over the past few years, the opportunity for ongoing success in oxide copper exploration, and importantly, for the discovery of a world class base metal deposit has now been clearly and concisely demonstrated."

Mt Cuthbert & Mt Watson Projects

- Located 100km north of Mt Isa
- 10.5 million tonne oxide copper resource and growing
- Existing production facility and infrastructure
- Several new discoveries in 2005
- Native Title Agreement in place

White Range Project

- Located 40km south of Cloncurry
- 13.9 million tonne oxide copper resource and growing
- Major new discoveries in 2005
- Final stage feasibility underway
- Target 15,000 tpa for 6 to 8 years minimum
- Major exploration success in 2005
- Native Title Agreement in place



THE PORTFOLIO



Oxide Copper from Mt Watson



Primary Sulphide Copper from Mt Watson



Sample of Copper/Gold mineralisation



Sample of Gold mineralisation



Uranium mineralisation from Miranda

Matrix's White Range and Mt Watson Projects and the numerous exploration prospects are contained within a 100% owned tenement holding, totalling approximately 5,000 square kilometres. The semi contiguous package of tenements are located in the world class Mt Isa base metal province of North West Queensland as presented in **Figure 1**.

**FIGURE 1
MATRIX PROJECT AND PROSPECT LOCATIONS**



3.0 WHITE RANGE PROJECT UPDATE

Summary

Matrix Metals Limited (“**Matrix**”) has been progressing towards the development of the White Range Project (“**Project**”) in the Mt Isa area of Queensland and is pleased to announce that work on the Feasibility Study (“**Study**”) is now complete.

Specifically the following has been achieved during the quarter:

- Final sign off of JORC compliant resources
- Completion of a range of pit optimisation studies and mine designs to allow final sign off of JORC compliant reserves
- Completion of preliminary waste dump designs
- Receipt of revised mining costs from a number of mining contractors
- Receipt of revised crushing, agglomerating and stacking cost
- Receipt and execution of a contract offer for a grid power supply
- Receipt and execution of a contract offer for access to the power transmission line
- Receipt of contract offers for the supply of sulphuric acid
- Development and works approval granted for water extraction at Kuridala
- Completion of first stage engineering designs
- Continuation of second stage detailed engineering design
- Preliminary design of the grid power line and completion of the design of the power line route from Cloncurry
- Redesign of the Project main access route
- Design of the various Project haul roads
- Re-estimation of the Project operating costs to bankable level (**ongoing**)
- Re-estimation of the Project capital costs to bankable level (**ongoing**)
- Commencement of an amendment to the Environmental Authority to address the approval requirements of the power line and licences for an amended water supply dam design
- Commencement of the process of “on the ground” site clearances with native title claimants in accordance with the provisions of the executed Native Title Agreements
- Receipt of designs and commercial proposals for the construction and operation of the Project village
- Redesign of the proposed water supply dam to optimise the capital costs and to increase the security of the Project water supply
- Execution of various landholder compensation agreements within the Project area

The Company is pleased to advise that the completion of Study has concluded that the Project is technically and economically viable in the current copper price environment.

Offers for key supply contracts have been received with the terms of the offers being acceptable to the Company. These key contracts include access to the Ergon Energy power grid allowing the transmission of power to the Project, the supply of power from CS Energy Limited with these two offers having been accepted and executed, with offers for the supply of acid also received and under consideration.

The success in securing access to the Ergon Energy power grid and a power supply from CS Energy has resulted in new Government approvals required to be sought for the construction of the power line via an amendment to the currently approved Environmental Authority. An increase in the size of the water supply dam which is deemed to be required to provide appropriate water supply security levels has also resulted in an amendment to the water supply licence/permit applications. The grant process for such approvals and permits is now well advanced and the Company expects the required approvals and permits to be secured by the fourth quarter 2006.

A first principles review of capital and operating costs has been a key component of the final phase of the Study with the revised Project economics reflecting currently prevailing cost and revenue levels. A Base Case has been the prime focus of the analysis with an Alternative Case also the subject of an initial assessment. The Alternative Case reports a higher grade lower tonnage Project with the Base Case reporting a higher tonnage, lower grade longer life scenario.

TABLE 1
WHITE RANGE PROJECT
PROJECT FINANCIAL ANALYSIS JULY 2006
Alternative Case

	Alternative Case
Production Rate	15,000 tpa
Copper Cathode Produced	60,516 tonnes
Direct Capital	A\$ 72m
Operating cost /lb	USD 1.06c
USD/AUD Exchange rate	Hedging Curves then 0.70c
USD Copper Price	Hedging Curves then \$1.10
EBITDA	A\$259m
EBIT	A\$164m
NPV @ 8% Disc.	A\$109m
IRR	41%

Table 2 presents the Base Case Financial Analysis.

TABLE 2
WHITE RANGE PROJECT
PROJECT FINANCIAL ANALYSIS JULY 2006
Base Case

	Base Model
Production Rate	15,000 tpa
Copper Cathode Produced	87,337 tonnes
Direct Capital	A\$ 76m
Operating cost /lb	USD 1.31c
USD/AUD Exchange rate	Hedging Curves then 0.70c
USD Copper Price	Hedging Curves then \$1.10
EBITDA	A\$263m
EBIT	A\$164m
NPV @ 8% Disc.	A\$102m
IRR	37%

It is noted the capital and operating costs have risen reflective of the state of the construction and operating cost regime that currently prevails in the resources industry. As the revised financial results demonstrate, the revenue increases due to the copper price have outpaced the capital and operating cost increases that have been encountered. The net result is an improved economic outlook for the Project.

Modelling Criteria

- Discount Rate of 8%
- The backwardation curve assumes hedging was effected 17 July 06 for 100% of copper production, with production commencing in 2007
- Power costs assume grid power at Ergon Energy Franchise tariff rates
- Acid supply costs as per Feasibility Study cost estimate
- In addition to Direct Capital Cost shown above, Contingency, EPCM and First Fill costs of \$22.4m have been included in the financial analysis

Project Financing

The Company reported in April 2006 that Westpac Banking Corporation had been mandated for the provision of debt funding for the Project. Westpac have been presented with the revised Project costs and financial analysis and have subsequently confirmed their interest in the funding of the Project.

In addition, Matrix is in receipt of offers from various copper off take parties for contributions to Project capital. Negotiations are continuing with these parties in

consideration of the preferred structure and their contribution to the final funding package.

The Company advises that the continuation of the optimisation and early stage development activities will be dependant on achieving an early drawdown of Project capital prior to the securing of the formal Project funding package.

Accordingly, negotiations are underway with both the debt provider and off take parties for an initial tranche of funds for the Project to allow early stage development activities to continue whilst the ultimate funding package is finalised.

Engineering & Construction

With the feasibility study now complete, the Company is moving into an optimisation and ultimately the development phase of the Project. A range of activities have either commenced or are scheduled including detailed engineering and process design, site sterilisation drilling, geotechnical drilling at the water dam site, final surveys, preparation of construction contracts and tendering and finalisation of the required approvals.

In early 2006 the Company augmented the feasibility study team with appointment of a Project Manager and will now proceed with the employment of the full Project development team as the first tranche of funding becomes available.

Engineering design has commenced with the formal appointment of the Engineering, Procurement and Construction (EPC) contractor expected during coming months.

Key Supply Contracts

Access to the Electricity Ergon Energy Grid

On 26 May 2006, the Company received a formal written offer (Offer) from Ergon Energy Corporation Limited (Ergon) for a Network Connection which provides access to the local electricity grid. The Offer was accepted and executed by Matrix on 31 July 2006.

Power Supply from CS Energy

On 29 May 2006, the Company received a formal written offer from CS Energy Ltd (CS) for the supply of power to the White Range Project. Matrix has formally accepted the offer and the parties are now moving to the execution of a formal contract.

Power Tariffs

The power tariff negotiated with CS are commercial tariffs applicable to supply direct from CS and are lower than those previously estimated under a site based diesel fired power station supply scenario. Negotiations continue with Ergon Energy and the Queensland Department of Energy for the Project to be subject to the standard "Franchise Tariff" which, if achieved, would result in a further reduction in power costs. Matrix is advised by its Consultants that it does qualify for receipt of the Franchise Tariff and is pursuing this opportunity accordingly.

Acid Supply

The Company is in receipt of two offers for the supply of sulphuric acid for the Project which are under consideration.

Conclusion and Outlook

The Company is pleased to announce this very significant step forward in the growth profile of Matrix. The conclusion of the Study has now proven the potential for the Company to move back into copper production in the Mt Isa region. This is a demonstration of the commitment and focus on the region and importantly, the commitment to the long standing business plan that the Company has maintained over the past few, and at times, difficult years.

Copper prices have reached new levels predicted by no one, and the Company is of the view that based on the underlying fundamentals of supply and demand for commodities, that historical average copper prices are now not a predictor to future copper prices. The Company believes a new higher platform of copper price now prevails. It is on this basis that the Company has adhered to the business plan and has now committed to this significant milestone of proceeding with the next phase of the development of the White Range Project.

Whilst revenues have been rising as discussed above, costs, both capital and operating, have also risen significantly as is reflected in the revised Project economics. The rising cost environment offers a challenge to the Company in achieving the development of the Project. This is reflected in the strategy now adopted, to move into an early development and optimisation phase whilst the negotiation of the ultimate funding package proceeds.

In regard to operating costs, it is noted that the Whim Creek heap leach solvent extraction/electrowinning (SX/EW) copper operation (Straits Resources Limited) which is a very similar operation to that proposed at White Range, has reported operating costs of an average of US\$1.17 over the past three quarters. This is a direct demonstration of the current market cost realities of an SX/EW copper operation.

The Company considers itself well prepared to meet the challenges of the coming optimisation and early development work phase, the finalisation of the financing, the construction, commissioning and ultimately the production phases at White Range and look forward to seeing the Company again achieving copper production status.

4.0 EXPLORATION REPORT

New Discovery Reinforces Matrix's Long Term Strategy

Various ASX announcements made by various third party companies during June and July 2006, indicate that significant new copper deposits may have been discovered in the Mt Isa/Cloncurry region.

These new discoveries are considered to offer strong reinforcement to the exploration strategy that has been developed and implemented by Matrix over recent years.

Accordingly, the Company takes the opportunity to restate its exploration strategy and asset position in the Mt Isa Region. Specifically, Matrix advises the following:

- **Matrix 100% owns almost 5,000 square kilometres of tenements in the Mt Isa/Cloncurry region running in a semi contiguous line 150 km north of Mt Isa to approximately 80 km south of Cloncurry. (see Figure 1)**
- **The Matrix tenements currently host a copper resource inventory of 24 million tonne @ 1.1 % copper.**
- **In addition to the resources, in excess of 350 occurrences of copper mineralisation have been documented across the tenement holding.**
- **Exploration by Matrix in recent years has resulted in many new discoveries including the following:**
 - **Discovery of the Mt Watson deposit that comprises a resource of 8.3 million tones grading 1.0 % copper. Best intersection in the Mt Watson oxide program of 70m @ 1.31 % copper.**
 - **Confirmation of primary sulphide mineralisation underneath the Mt Watson oxide copper deposit. Best intersection reported of 38m @ 2.18 % copper including 8m @ 4.89% copper.**
 - **Discovery of extensions to the McCabe deposit with copper mineralisation now confirmed to a depth of 250m. Best intersection reported of 58m @ 1.61 % copper including 28m @ 2.93 % copper.**
 - **Discovery of the Copper Sunday, Leone, Chopper Ridge, Vulcan North, and Leopard Line copper prospects which are all located in the vicinity of the White range Project.**
 - **Discovery of the Mahjong gold prospect located north of White Range.**
 - **Confirmation of the resource potential of the Sierra Line of mineralisation that extends approximately 20 km north of the McCabe deposit.**
 - **Discovery of the Mt Earl deposit which is located 8 km north of Mt Watson. Best intersection reported of 16m @ 1.62 % copper and 20m @ 1.22 % copper.**
 - **Confirmation of primary sulphide copper mineralisation underneath the Greenmount Deposit.**
 - **Discovery of a host of new areas of copper, copper/gold, gold only, lead/zinc and uranium anomalism and mineralisation across the tenement position as a result of the widespread geochemical exploration program.**

Matrix has been accumulating the strategic tenement position in the world class Mt Isa/Cloncurry base metals province targeting the discovering a world class base metals deposit. Matrix believes the widespread and continuous exploration success reported to date clearly demonstrate the unexplored nature of the region and hence the potential for major new discoveries. Matrix considers the newly reported discoveries are further evidence of this untapped exploration potential.

Matrix continues with its development and exploration plans and programs in the Region targeting both the development of the White Range and Mt Watson oxide copper projects, and importantly its regional exploration programs targeting the discovery of major new base metal deposits.

June Quarter Exploration Activities

Exploration activities during the June Quarter, together with highlights of results are summarised as follows:

- The **Leichhardt** Area (located north west of Cloncurry) historic data was assessed and followed up with rock chip sampling programs completed at the Leichhardt, Gregory, Yamamilla and Mount Devine prospects. This work highlighted an excellent potential for copper-gold mineralisation with the geology demonstrated substantial resource potential. Of particular note is the **Gregory Prospect** that produced rock chip samples grading between **0.15g/t and 7.43g/t Au**, and from **1.45% to 20.2% Cu**. This area is located approximately 40 km north west of the Rocklands discovery
- Mapping and sampling has confirmed the copper resource potential of the **Chopper Ridge Prospect**. The Prospect, located approx. 1 km from Greenmount, features a significant strike length of outcropping copper mineralisation and anomalism and is ranked as a high priority drill target for additional oxide copper resources for the White Range Project.
- The lag anomaly that has been identified between **Chopper Ridge** and **Mt McCabe** was investigated. This strong and extensive anomaly consists of Cu values ranging from 348 to 964ppm over some one kilometre strike length.
- A review of geochemistry and historic data for the **Sierra** Line of tenements was completed, and is to be used for planning further exploration including a planned drilling program. In addition, strongly anomalous Uranium assay values in rock chips were located in the area.
- Lag sampling was completed in the **Copper Canyon** area.
- As part of the sterilization program for the Project, stream sediment sampling of the **Dam Site E** resulted in several Au and Cu anomalous drainages. Follow-up of these led to some remarkably high (>20%) Cu values from float rock, the source of which is yet to be determined.

Leichhardt & Gregory Prospects

Historical data from the Leichhardt Prospect, located 40 kilometres north east of Mt Isa, revealed a significant zone of gold anomalism associated with Matrix's existing Leichhardt copper resource (1,135,000 @ 1.0 % Cu). Early 1990s drilling by a third party reported a significant economic intersection with respect to gold, including **8m @ 2.09g/t Au** and **18m @ 1.47g/t Au**. Several anomalous zones exceeding 20m width were also reported being **72m @ 0.26g/t Au** and **26m @ 0.68g/t Au**.

The distribution of anomalous drill holes suggests the gold mineralization has a strike length of at least 300m with the possibility that it remains open both to the north and to the south.

The **Leichhardt** prospect is located within a NS trending regional structure named the Prospector Creek Fault Zone. Several small auriferous copper deposits (including the Gregory) are found within this zone over a strike length of approximately 10 kilometres. At Leichhardt a prominent ridge of haematite + silica +/-carbonate +/- albite breccia alteration marks the eastern margin of the fault zone.

Similar alteration is also present along the western margin. Magnetite is a common alteration constituent, reaching 20% in some zones. **The iron oxide species give the prospect a distinctive iron oxide-copper-gold flavour.**

The **Gregory** prospect is located some 7km north of Leichhardt and was discovered by a third party explorer through regional drainage sampling. It is represented as a zone of co-incident Cu-Au soil anomalism overlying outcropping copper mineralization associated with narrow quartz stringers hosted in sheared dolerite and metasediments. Late stage NW trending quartz filled faults crosscut the area.

The third party reported that four RC holes had been drilled at Gregory, but assay results from these are as yet to be located.

Eight rock chips taken by Matrix in May 2006 from old workings together with samples from the old third party exploration trenches presented results reporting high Cu and Au values. The samples were collected at scattered points over an area some 300m N-S and 100m E-W, and range between **0.15 & 7.43g/t Au, and 1.45 & 20.2% Cu.**

These highly encouraging results warrant further work at the prospect that will include soil sampling, isolation of the missing report documenting the drill hole and prospect mapping.

Chopper Ridge

Chopper Ridge is located approximately 1 km north west of the Greenmount deposit. A compilation of lag results outlined a very distinct one kilometre long Cu-anomaly in the central western portion. Values range between 348 and 964ppm Cu along a zone near the Marimo – Staveley Formations contact, halfway between Chopper Ridge and Mount McCabe, now called Sipa. Rockchip assays are pending for a Cu-carbonate/silicate bearing breccia outcrop covering roughly 60 x 100m, and smaller outcrops from within the 1km zone. Detailed geochemical sampling is currently in progress, with the objective of delineating the full extent of the anomalous mineralization, with the relatively large outcrops of breccia and folding having provided high potential mineralizing fluid traps.

Sierra Line

Analysis of the geochemical sampling in the Overhang and Toby Barty tenements has outlined the previously known mineralization, plus three new areas, from one of which a rock chip returned 1.2% Cu. Large coincident copper-molybdenum anomalies occur along the western and southern sides of the Overhang tenement, and are considered to be high potential targets for detailed follow-up.

At the Sierra Line detailed mapping has facilitated the utilisation of previous percussion drilling by CEC and Majestic Resources, which indicates that the mineralization is potentially widening with depth. Hence the 200m of surface mineralisation, combined with apparent widening with depth is a high potential target ready to be drilled.

Dam E Sterilization Program Discovery

Totals of 66 stream sediment samples, eight BLEG samples, and one rock chip sample were collected from the Dam E area. It is considered, therefore, that the drainage systems that are likely to be inundated at Dam E have been comprehensively sampled.

However, samples reported highly anomalous Cu and Au (up to 20% Cu) values that were subsequently followed up, with the indication that the source is likely be located well outside the area of inundation.

New Drilling Programs to Proceed in September 2006 Quarter

Following a period of field work focussing on geochemical and geophysical studies over various prospects, a program of new drilling is planned to proceed in coming weeks. The programs will include drilling at the following prospects:-

- **Chopper Ridge.** Chopper Ridge is a new discovery located a short distance from the Greenmount deposit. The prospect is characterised by strong showing of outcropping copper over a significant strike length and demonstrates favourable geology for resource quality mineralisation. The Chopper Ridge area has also demonstrated potential for strong gold mineralisation.
- **Greenmount Primary Sulphides.** Drilling related to the delineation of the leachable copper resource at Greenmount has on several occasions intersected strong primary sulphide mineralisation. A program of deep drilling has been designed to test the primary sulphide potential of the Greenmount deposit.
- **Sierra Line/Toby Barty Line.** The Sierra Line of mineralisation has been the subject of a large geochemical sampling program over the past 12 months. The Line of mineralisation extends northwest of the McCabe Deposit and has demonstrated significant exploration potential. Previous drilling by Matrix at the Toby Barty Prospect located along the Line has reported resource width and grade copper mineralisation. (**14m @ 1.0% copper**). A drilling program has been designed to test various areas of interest along the Sierra Line.

Mt Watson Regional Exploration

Exploration activities continued in the Mt Watson region in the form of mapping and sampling around existing deposits, as well as the commencement of more regionally focused exploration.

5.0 DEEP YELLOW URANIUM JOINT VENTURE

Field Work Commences with Early success Reported

Matrix's joint venture uranium exploration partner, Deep Yellow Limited (DYL), commenced field work during the period with significant results reported.

The following is an extract from the Deep Yellow June 2006 Quarterly Report that highlighted the following:

“Rock chip sampling of the Miranda project northeast of Mt Isa previously drilled by CRA returns values up to 9,640 ppm (0.964%) U₃O₈. Drilling planned for September 2006.

During the quarter, regional airborne spectral radiometric, magnetic, landsat, and airphoto data was acquired and processed to highlight uranium specific radiometric anomalies within the tenement package. This was followed up with a first pass field program in June, where several of the uranium anomalies in EPM 14916 (“Ewen”), and EPM 14281 (“Miranda Creek”) were visited, with prospect scale 1:2,000 geological mapping, ground radiometric traversing, and rock chip sampling initiated.

The Lochness and Lochness North Prospects lie within the Western Succession of the Mt Isa Inlier, more specifically within the Leichard River Fault Trough, which also is the host unit for the Valhalla and Skal uranium deposits.

The Miranda Prospect lies within the Central Succession of the Mt Isa Inlier, specifically within the Kalkadoon-Leichardt block. The Mary Kathleen uranium mine occurred to the south at the eastern margin of this block.

*At the **Lochness Prospect** a strong airborne radiometric anomaly was shown to devolve at ground prospect scale mapping into broad weakly radioactive, oxidised limonitic, fine grained mudstones, with several thinner (1 – 5 m) stronger radioactive, bedding sub-parallel to acutely cross-cutting, intensely limonitised gossan rock which displayed a discernable sheared and sometimes laminated fabric. A maximum assay of 233 ppm U₃O₈ was returned from several rock chip samples collected from this area.*

*Similar features, but over smaller stratigraphic width and strike, were displayed at the **Lochness North Prospect** located some 5.5 km north of the main **Lochness Prospect**.*

Previous drilling by former tenement owners at both the above prospects around 30 years ago, is assessed as having not successfully intercepted the more strongly radioactive structures. A new round of RC drilling is planned by DYL to test these anomalies later in 2006, pending the availability of a drilling rig.

*At the **Miranda Prospect**, located some 40 km SE of Lochness, an intensely radioactive (+20,000 cps TC) anomaly hosted within a chloritic schist of the basal Leichardt Metamorphics and close to the intrusive contact of the Kalkadoon Granite, was seen in the field to contain a platy, pale yellow, radioactive mineral thought to be uranophane. A rock chip sample from this location assayed 9,640 ppm (0.964%) U₃O₈. This prospect will be drill tested at the same time as the Lochness prospects”.*

6.0 MT CUTHBERT ACTIVITIES

A program of remedial work commenced at Mt Cuthbert processing facility site during the quarter following flood damage caused by the remnants of Cyclone Larry.

The Environmental Management Plans (EMP) for the site has been amended to address both the ground and surface water management requirements that have deemed to be required following the Cyclone Larry event.

The amended groundwater EMP has been approved by the EPA and is currently being implemented. The amended surface water EMP has been submitted and is

under consideration by the EPA. Implementation of various components of the surface water plan is underway in anticipation of approval of the EMP.

7.0 EXPENDITURE REPORT

Expenditure on exploration and feasibility activities during the quarter totalled \$1,456,117.

Expenditure on production activities was \$383,420 which included expenditure related to the repair of the cyclone damage and the implementation of the amended EMP's. No production occurred during the quarter, with expenditure continuing relating to care and maintenance activities at Mt Cuthbert.

8.0 OUTLOOK FOR THE SEPTEMBER 2006 QUARTER

Key activities planned for the September 2006 Quarter will include:

- Finalisation of a funding package for the White Range Project, in particular securing of the initial tranche of funding to support the optimisation and early stage development activities.
- Upon receipt of the financing, continuation of early stage development activities including detailed engineering design, project construction scheduling, site sterilisation drilling, site geotechnical drilling, water supply confirmation drilling, surveying and procurement.
- Securing of the additional approvals required for the power line and the amended water supply dam design
- Issuing of various construction and operational tender and contract documents for the White Range Project.
- Commencement of a series of exploration drilling programs in the greater White Range area.
- Continuation of LAG and soil sampling programs across the greater White Range Project and Mt Watson project area.
- Commencement of drilling by Deep Yellow Limited on the NW Uranium Joint Venture.
- Continuation of the remedial ground and surface water programs at Mt Cuthbert.

Yours Faithfully



Andrew Chapman
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Bob Dennis. Mr Bob Dennis is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. Mr Dennis has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code". Mr Dennis consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

9.0 COMPANY INFORMATION

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